

Whereas the Unified Command in Korea is supplying emergency food rations and medical care for said refugees and, through the Advisory Committee on Voluntary Aid of the Department of State, is urgently requesting voluntary contributions of clothing, blankets, yard goods, yarn, needles, thread, soap, and kindred supplies from the American people; and

Whereas ten member agencies of the American Council of Voluntary Agencies for Foreign Service, Incorporated, including the American Friends Service Committee; Brethren Service Commission; Church World Service; Labor League for Human Rights, American Federation of Labor; Lutheran World Relief; Mennonite Central Committee; Save the Children Federation; War Relief Service—National Catholic Welfare Conference; World Student Service Fund; Young Women's Christian Association—World Emergency Fund, with the cooperation of the Advisory Committee on Voluntary Foreign Aid of the Department of State have recently set up an organization known as American Relief for Korea, Incorporated, as an over-all national channel for the collection and transmission of clothing and kindred supplies to Korea; and

Whereas American Relief for Korea, Incorporated, is now actively functioning from its national headquarters at 133 East Thirty-ninth Street, New York 16, New York, with warehouses located at Maspeth, New York, and Oakland, California, for the preparation and shipment of clothing and kindred supplies to Korea: Now, therefore, be it

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That the Congress of the United States, having deep sympathy for the plight of the millions of Korean refugees who are innocent victims of cruel and unprovoked aggression, recognizes their desperate condition, expresses its hope and expectation that all Americans will respond generously to the appeal of American Relief for Korea, Incorporated, and authorizes the President to set aside as soon as practicable a period of not less than one month as a special period of intensive effort during the course of which, as an additional sincere and tangible gesture of American friendship and sympathy, the clothing collection appeal of American Relief for Korea, Incorporated, may receive the utmost support of all Americans.

Approved August 31, 1951.

American Relief for  
Korea, Inc.  
Contributions of  
clothing, etc.

## Public Law 139

## CHAPTER 378

### AN ACT

To assist the provision of housing and community facilities and services required in connection with the national defense.

September 1, 1951  
[S. 349]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That this Act may be cited as the "Defense Housing and Community Facilities and Services Act of 1951".

Defense Housing  
and Community Fa-  
cilities and Services  
Act of 1951.

## TITLE I—CRITICAL DEFENSE HOUSING AREAS, PROCEDURES FOR EXERCISE OF AUTHORITY, AND EXPIRATION DATE

SEC. 101. (a) Notwithstanding any other provisions of this Act, the authority contained in titles II, III, or IV of this Act shall not be exercised in any area unless the President shall have determined that such area is a critical defense housing area.

Restriction on exer-  
cise of authority.  
*Post*, pp. 295, 303,  
310.

Determining conditions.

(b) No area shall be determined to be a critical defense housing area pursuant to this section unless the President finds that in such area all the following conditions exist:

(1) a new defense plant or installation has been or is to be provided, or an existing defense plant or installation has been or is to be reactivated or its operation substantially expanded;

(2) substantial in-migration of defense workers or military personnel is required to carry out activities at such plant or installation; and

(3) a substantial shortage of housing required for such defense workers or military personnel exists or impends which impedes or threatens to impede activities at such defense plant or installation, or that community facilities or services required for such defense workers or military personnel are not available or are insufficient, or both, as the case may be.

Private enterprise.  
Opportunity to provide housing.

SEC. 102. In order to assure that private enterprise shall be afforded full opportunity to provide the defense housing needed wherever possible, in any area which the President, pursuant to the authority contained in section 101 hereof, has declared to be a critical defense housing area—

Announcement of units needed.

(a) first, the number of permanent dwelling units (including information as to types, rentals, and general locations) needed for defense workers and military personnel in such critical defense housing area shall be publicly announced and printed in the Federal Register by the Housing and Home Finance Administrator;

Residential credit restrictions.  
64 Stat. 798.  
50 U. S. C. app. § 2061.

(b) second, residential credit restrictions under the Defense Production Act of 1950, as amended, (1) as to housing to be sold at \$12,000 or less per unit or to be rented at \$85 or less per unit per month, shall be suspended with respect to the number and types of housing units at the sales prices or rentals which the President determines to be needed in such area for defense workers or military personnel, and (2) as to all other housing, shall be relaxed in such manner and to such extent as the President determines to be necessary and appropriate to obtain the production of such housing needed in such area for defense workers or military personnel;

Mortgage insurance aids.  
Post, p. 295.

(c) third, the mortgage insurance aids provided under title II of this Act shall be made available to obtain the production of housing needed in such area for defense workers or military personnel; and

Construction by Federal Government.  
Post, p. 303.

(d) fourth, no permanent housing shall be constructed by the Federal Government under the provisions of title III hereof except to the extent that private builders or eligible mortgagees have not, within a period of not less than ninety days (as the Housing and Home Finance Administrator shall specify) following public announcement of the availability of such mortgage insurance aids under title II of this Act, indicated through bona fide applications (which meet the requirements as to types, rentals or sales prices, and general locations) for exceptions from such residential credit restrictions or for mortgage insurance or guaranty that they will provide the housing determined to be needed in such area for defense workers and military personnel and publicly announced as provided by subsection (a) of this section.

Post, p. 295.

Local provision of community facilities.

SEC. 103. In order to assure that community facilities or services required in connection with national defense activities shall, wherever possible, be provided by the appropriate local agencies with local funds, in any area which the President, pursuant to the authority contained in section 101 hereof, has declared to be a critical defense housing area—

(a) no loan shall be made pursuant to title III of this Act for the provision of community facilities or equipment therefor required in connection with national defense activities in such area unless the chief executive officer of the appropriate political subdivision certifies, and the Housing and Home Finance Administrator finds, that such facilities or equipment could not otherwise be provided when needed;

Loans.  
*Post*, p. 303.

(b) no grant or other payment shall be made pursuant to title III of this Act for the provision, or for the operation and maintenance, of community facilities or equipment therefor, or for the provision of community services, required in connection with national defense activities in such area unless the chief executive officer of the appropriate political subdivision certifies, and the Housing and Home Finance Administrator finds, that such community facilities or services cannot otherwise be provided when needed, or operated and maintained, as the case may be, without the imposition of an increased excessive tax burden or an unusual or excessive increase in the debt limit of the appropriate local agency; and

Grants or payments.

(c) no community facilities or services shall be provided, and no community facilities shall be maintained and operated, by the United States directly except where the appropriate local agency is demonstrably unable to provide such facilities and services, or to maintain or operate such community facilities and services adequately with its own personnel, with loans, grants, or payments authorized to be made pursuant to title III hereof.

U. S. provision of facilities, etc.

For the purposes of this section, the term "chief executive officer of the appropriate political subdivision" shall mean appropriate principal executive officer or governing body having primary responsibility with respect to the community facility or service involved, but shall not, in any case, mean any public housing authority, or its governing body, or any of its officers, acting in such capacity.

"Chief executive officer of the appropriate political subdivision."

SEC. 104. After June 30, 1953, (a) no mortgage may be insured under title IX of the National Housing Act, as amended (except (i), pursuant to a commitment to insure issued on or before such date, or (ii) a mortgage given to refinance an existing mortgage insured under that title and which does not exceed the original principal amount and unexpired term of such existing mortgage), (b) no agreement may be made to extend assistance for the provision of community facilities or services under title III of this Act, and no construction of housing or community facilities by the United States may be begun under such title, (c) no land may be acquired by the Housing and Home Finance Administrator under title IV of this Act, and (d) no loan may be made or obligations purchased by the Housing and Home Finance Administrator under section 102a of the Housing Act of 1948, as amended (except pursuant to a commitment issued on or before June 30, 1953, or to refinance an existing loan or existing obligations held under such section by said Administrator on June 30, 1953).

Mortgage insurance, land acquisitions, loans, etc., after June 30, 1953.  
*Infra*.

*Post*, p. 303.

*Post*, p. 310.

*Post*, p. 312.

## TITLE II—MORTGAGE INSURANCE FOR DEFENSE HOUSING

SEC. 201. The National Housing Act, as amended, is amended by the addition of the following title at the end thereof:

48 Stat. 1246.  
12 U. S. C. § 1701.  
National Housing Act, amendment.

### "TITLE IX—NATIONAL DEFENSE HOUSING INSURANCE

"SEC. 901. As used in this title, the terms 'mortgage', 'first mortgage', 'mortgagee', 'mortgagor', 'maturity date', and 'State' shall have the same meaning as in section 201 of this Act.

Definitions.

12 U. S. C. § 1707.



National Defense Housing Insurance Fund.

Transfer of funds.

12 U. S. C. § 1737.

Administrative expenses.

Mortgage insurance.

*Ante*, p. 293.

*Post*, p. 301.

Requirements.

Aggregate amount of principal obligations.

*Post*, p. 315.  
Properties held for rental.

Certification by mortgagor.

Penalty for violation.

Eligibility for insurance.

Mortgagee.

"SEC. 902. There is hereby created a National Defense Housing Insurance Fund which shall be used by the Commissioner as a revolving fund for carrying out the provisions of this title, and mortgages insured under this title shall be known and referred to as 'national defense housing insured mortgages'. The Commissioner is hereby authorized and directed to transfer to such fund the sum of \$10,000,000 from the War Housing Insurance Fund established pursuant to the provisions of section 602 of this Act. General expenses of operation of the Federal Housing Administration under this title may be charged to the National Defense Housing Insurance Fund: *Provided*, That no moneys in said fund shall be expended for administrative expenses of the Federal Housing Administration under this title except pursuant to such specific authorization therefor as may hereafter be enacted by the Congress.

"SEC. 903. (a) This title is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act in order to assist in providing adequate housing in areas which the President, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951, shall have determined to be critical defense housing areas. The Commissioner is authorized, upon application by the mortgagee, to insure under this section or section 908 as hereinafter provided any mortgage which is eligible for insurance as hereinafter provided and upon such terms as the Commissioner may prescribe to make commitments for the insuring of such mortgages prior to the date of their execution or disbursement thereon: *Provided*, That the property covered by the mortgage is in an area which the President, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951, shall have determined to be a critical defense housing area, and that the total number of dwelling units in properties covered by mortgages insured under this title in any such area does not exceed the number authorized by the Housing and Home Finance Administrator from time to time as needed in such area for defense purposes and to be insured pursuant to this title: *Provided further*, That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed such sum as may be authorized by the President from time to time for the purposes of this title pursuant to his authority under section 217 hereof: *Provided further*, That the Commissioner shall have power to require properties covered by mortgages insured under this title to be held for rental for such periods of time and at such rentals or other charges as he may prescribe; and, with respect to such properties being held for rental, (1) to require that the property be held by a mortgagor approved by him, and (2) to prescribe such requirements as he deems to be reasonable governing the method of operation and prohibiting or restricting sales of such properties or interests therein or agreements relating to such sales: *And provided further*, That no mortgage shall be insured under this title unless the mortgagor certifies under oath that in selecting tenants for any property covered by the mortgage he will not discriminate against any family by reason of the fact that there are children in the family, and that he will not sell the property while the insurance is in effect unless the purchaser so certifies, such certification to be filed with the Commissioner. Violation of any such certification shall be a misdemeanor punishable by a fine of not to exceed \$500.

"(b) To be eligible for insurance under this section a mortgage shall—

"(1) have been made to, and be held by, a mortgagee approved by the Commissioner as responsible and able to service the mortgage properly;

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed 90 per centum of the appraised value (as of the date the mortgage is accepted for insurance) of a property, urban, suburban, or rural, upon which there is located a dwelling designed principally for residential use for not more than two families in the aggregate, which is approved for mortgage insurance prior to the beginning of construction, the construction of which is begun after the date of enactment of this title. The principal obligation of such mortgage shall not, however, exceed \$8,100 if such dwelling is designed for a single-family residence, or \$15,000 if such dwelling is designed for a two-family residence except that the Commissioner may by regulation increase these amounts to not to exceed \$9,000 and \$16,000, respectively, in any geographical area where he finds that cost levels so require: *Provided*, That if the Commissioner finds that it is not feasible within the aforesaid dollar amount limitations to construct dwellings containing three or four bedrooms per family unit without sacrifice of sound standards of construction, design, and livability, he may increase such dollar amount limitations by not exceeding \$1,080 for each additional bedroom (as defined by the Commissioner) in excess of two contained in such family unit if he finds that such unit meets sound standards of livability as a three-bedroom or a four-bedroom unit, as the case may be;

"(3) have a maturity satisfactory to the Commissioner but not to exceed thirty years from the date of the insurance of the mortgage;

"(4) contain complete amortization provisions satisfactory to the Commissioner;

"(5) bear interest (exclusive of premium charges for insurance) at not to exceed  $4\frac{1}{2}$  per centum per annum on the amount of the principal obligation outstanding at any time;

"(6) provide, in a manner satisfactory to the Commissioner, for the application of the mortgagor's periodic payments (exclusive of the amount allocated to interest and to the premium charge which is required for mortgage insurance as herein provided) to amortization of the principal of the mortgage; and

"(7) contain such terms and provisions with respect to insurance, repairs, alterations, payment of taxes, default reserves, delinquency charges, foreclosure proceedings, anticipation of maturity, additional and secondary liens, and other matters as the Commissioner may in his discretion prescribe.

"(c) The Commissioner is authorized to fix a premium charge for the insurance of mortgages under this title but in the case of any mortgage such charge shall not be less than an amount equivalent to one-half of 1 per centum per annum nor more than an amount equivalent to  $1\frac{1}{2}$  per centum per annum of the amount of the principal obligation of the mortgage outstanding at any time, without taking into account delinquent payments or prepayments. Such premium charges shall be payable by the mortgagee, either in cash or in debentures issued by the Commissioner under this title at par plus accrued interest, in such manner as may be prescribed by the Commissioner: *Provided*, That the Commissioner may require the payment of one or more such premium charges at the time the mortgage is insured, at such discount rate as he may prescribe not in excess of the interest rate specified in the mortgage. If the Commissioner finds upon the presentation of a mortgage for insurance and the tender of the initial premium charge or charges so required that the mortgage complies

Principal obligation.

Maturity.

Amortization.

Interest.

Periodic payments.

Insurance, repairs, etc.

Premium charges.

Initial payment.

Acceptable risk.	with the provisions of this title, such mortgage may be accepted for insurance by endorsement or otherwise as the Commissioner may prescribe; but no mortgage shall be accepted for insurance under this title unless the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk in view of the needs of national defense. In the event that the principal obligation of any mortgage accepted for insurance under this title is paid in full prior to the maturity date, the Commissioner is further authorized in his discretion to require the payment by the mortgagee of an adjusted premium charge in such amount as the Commissioner determines to be equitable, but not in excess of the aggregate amount of the premium charges that the mortgagee would otherwise have been required to pay if the mortgage had continued to be insured under this title until such maturity date; and in the event that the principal obligation is paid in full as herein set forth the Commissioner is authorized to refund to the mortgagee for the account of the mortgagor all, or such portion as he shall determine to be equitable, of the current unearned premium charges theretofore paid.
Adjusted premium charge.	
Refund of unearned premium charges.	
Priority to purchase or rent.	“(d) Notwithstanding any other provisions of this or any other Act, except provisions of law enacted hereafter expressly referring to this paragraph (d), the Commissioner, with the approval of the Housing and Home Finance Administrator, is further authorized to prescribe such procedures as are necessary to secure to persons engaged or to be engaged in national defense activities preference or priority of opportunity to purchase or rent properties, or interests therein, covered by mortgages insured under this title.
Validity of contract.	“(e) Any contract of insurance heretofore or hereafter executed by the Commissioner under this title shall be conclusive evidence of the eligibility of the mortgage for insurance, and the validity of any contract of insurance so executed shall be incontestable in the hands of an approved mortgagee from the date of the execution of such contract, except for fraud or misrepresentation on the part of such approved mortgagee.
Foreclosures; mortgage insurance benefits.	“SEC. 904. (a) In any case in which the mortgagee under a mortgage insured under section 903 shall have foreclosed and taken possession of the mortgaged property, in accordance with regulations of, and within a period to be determined by, the Commissioner, or shall, with the consent of the Commissioner, have otherwise acquired such property from the mortgagor after default, the mortgagee shall be entitled to receive the benefit of the insurance as hereinafter provided, upon (1) the prompt conveyance to the Commissioner of title to the property which meets the requirements of rules and regulations of the Commissioner in force at the time the mortgage was insured, and which is evidenced in the manner prescribed by such rules and regulations; and (2) the assignment to him of all claims of the mortgagee against the mortgagor or others, arising out of the mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Commissioner. Upon such conveyance and assignment the obligation of the mortgagee to pay the premium charges for insurance shall cease and the Commissioner shall, subject to the cash adjustment hereinafter provided, issue to the mortgagee debentures having a total face value equal to the value of the mortgage and a certificate of claim, as hereinafter provided. For the purposes of this subsection, the value of the mortgage shall be determined, in accordance with rules and regulations prescribed by the Commissioner, by adding to the amount of the original principal obligation of the mortgage which was unpaid on the date of the institution of foreclosure proceedings, or on the date of the acquisition of the property after default other than by foreclosure, the amount of all payments which have been made by the
Determination of mortgage value.	



mortgagee for taxes, ground rents, and water rates, which are liens prior to the mortgage, special assessments which are noted on the application for insurance or which become liens after the insurance of the mortgage, insurance of the mortgaged property, and any mortgage insurance premiums paid after either of such dates and by deducting from such total amount any amount received on account of the mortgage after either of such dates and any amount received as rent or other income from the property, less reasonable expenses incurred in handling the property, after either of such dates: *Provided*, That with respect to mortgages which are foreclosed before there shall have been paid on account of the principal obligation of the mortgage a sum equal to 10 per centum of the appraised value of the property as of the date the mortgage was accepted for insurance, there may be included in the debentures issued by the Commissioner, on account of the cost of foreclosure (or of acquiring the property by other means) actually paid by the mortgagee and approved by the Commissioner an amount—

Inclusion of foreclosure cost in debentures.

“(1) not in excess of 2 per centum of the unpaid principal of the mortgage as of the date of the institution of foreclosure proceedings and not in excess of \$75; or

“(2) not in excess of two-thirds of such cost, whichever is the greater: *And provided further*, That with respect to mortgages to which the provisions of sections 302 and 306 of the Soldiers' and Sailors' Civil Relief Act of 1940, as now or hereafter amended, apply and which are insured under section 903, and subject to such regulations and conditions as the Commissioner may prescribe, there shall be included in the debentures an amount which the Commissioner finds to be sufficient to compensate the mortgagee for any loss which it may have sustained on account of interest on debentures and the payment of insurance premiums by reason of its having postponed the institution of foreclosure proceedings or the acquisition of the property by other means during any part or all of the period of such military service and three months thereafter.

54 Stat. 1178.  
50 U. S. C. app.  
§§ 532, 536.

“(b) The Commissioner may at any time, under such terms and conditions as he may prescribe, consent to the release of the mortgagor from his liability under the mortgage or the credit instrument secured thereby, or consent to the release of parts of the mortgaged property from the lien of the mortgage.

Release of mortgagor from liability.

“(c) Debentures issued under this title shall be in such form and denominations in multiples of \$50, shall be subject to such terms and conditions, and shall include such provisions for redemption, if any, as may be prescribed by the Commissioner with the approval of the Secretary of the Treasury, and may be in coupon or registered form. Any difference between the amount of debentures to which the mortgagee is entitled under this section or section 908 of this Act and the aggregate face value of the debentures issued, not to exceed \$50, shall be adjusted by the payment of cash by the Commissioner to the mortgagee from the National Defense Housing Insurance Fund.

Debentures.

“(d) The debentures issued under this section to any mortgagee shall be executed in the name of the National Defense Housing Insurance Fund as obligor, shall be signed by the Commissioner by either his written or engraved signature, and shall be negotiable. All such debentures shall be dated as of the date foreclosure proceedings were instituted, or the property was otherwise acquired by the mortgagee after default, and shall bear interest from such date at a rate determined by the Commissioner, with the approval of the Secretary of the Treasury, at the time the mortgage was accepted for insurance, but not to exceed 3 per centum per annum, payable semiannually on the 1st day of January and the 1st day of July of each year. Such debentures shall

Execution of debentures, etc.

Maturity.

Tax exemption.

mature ten years after the date thereof. Such debentures shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, or gift taxes) now or hereafter imposed by any Territory, dependency, or possession of the United States, or by the District of Columbia, or by any State, county, municipality, or local taxing authority, and shall be paid out of the National Defense Housing Insurance Fund, which shall be primarily liable therefor, and they shall be fully and unconditionally guaranteed as to principal and interest by the United States, and such guaranty shall be expressed on the face of the debentures. In the event that the National Defense Housing Insurance Fund fails to pay upon demand, when due, the principal of or interest on any debentures issued under this title, the Secretary of the Treasury shall pay to the holders the amount thereof which is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such debentures.

Failure of Fund to pay on demand.

Certificate of claim.

12 U. S. C. § 1710 (e),  
(f).  
12 U. S. C. § 1713.

Powers of Commissioner.

41 U. S. C. § 5.

Delegation of power.

Restriction on right of mortgagee or mortgagor in conveyed property.

Deposit of surplus funds.

“(e) The certificate of claim issued by the Commissioner to any mortgagee under this section shall be for an amount determined in accordance with, and shall contain provisions and shall be paid in accordance with, the provisions of section 204 (e) and section 204 (f) of this Act which are applicable to mortgages insured under section 207, except that the reference in section 204 (f) to ‘the Housing Insurance Fund’ shall be deemed for the purposes of this section to be a reference to the National Defense Housing Insurance Fund.

“(f) Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, the Commissioner shall have power to deal with, complete, rent, renovate, modernize, insure, make contracts or establish suitable agencies for the management of, or sell for cash or credit, in his discretion, any properties conveyed to him in exchange for debentures and certificates of claim as provided in this section; and, notwithstanding any other provision of law, the Commissioner shall also have power to pursue to final collection, by way of compromise or otherwise, all claims against mortgagors assigned by mortgagees to the Commissioner as provided in this title: *Provided*, That section 3709 of the Revised Statutes shall not be construed to apply to any purchase or contract for services or supplies on account of such property if the amount thereof does not exceed \$1,000. The power to convey and to execute in the name of the Commissioner deeds of conveyances, deeds of release, assignments, and satisfactions of mortgages, and any other written instrument relating to real property or any interest therein heretofore or hereafter acquired by the Commissioner pursuant to the provisions of this Act, may be exercised by the Commissioner or by any Assistant Commissioner appointed by him, without the execution of any express delegation of power or power of attorney: *Provided*, That nothing in this subsection shall be construed to prevent the Commissioner from delegating such power by order or by power of attorney in his discretion, to any officer, agent, or employee he may appoint.

“(g) No mortgagee or mortgagor shall have, and no certificate of claim shall be construed to give to any mortgagee or mortgagor, any right or interest in any property conveyed to the Commissioner or in any claim assigned to him; nor shall the Commissioner owe any duty to any mortgagee or mortgagor with respect to the handling or disposal of any such property or the collection of any such claim.

“SEC. 905. (a) Moneys in the National Defense Housing Insurance Fund not needed for the current operations of the Federal Housing Administration under this title shall be deposited with the Treasurer



of the United States to the credit of the National Defense Housing Insurance Fund, or invested in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States. The Commissioner may, with the approval of the Secretary of the Treasury, purchase in the open market debentures issued under the provisions of this title. Such purchases shall be made at a price which will provide an investment yield of not less than the yield obtainable from other investments authorized by this section. Debentures so purchased shall be canceled and not reissued.

Purchase of debentures by Commissioner.

“(b) Premium charges, adjusted premium charges, and appraisal and other fees, received on account of the insurance of any mortgage insured under this title, the receipts derived from any such mortgage or claim assigned to the Commissioner and from any property acquired by the Commissioner, and all earnings on the assets of the National Defense Housing Insurance Fund, shall be credited to the National Defense Housing Insurance Fund. The principal of and interest paid and to be paid on debentures issued in exchange for any mortgage or property insured under this title, cash adjustments, and expenses incurred in the handling of such mortgages or property and in the foreclosure and collection of mortgages and claims assigned to the Commissioner under this title, shall be charged to the National Defense Housing Insurance Fund.

Credits and charges to Fund.

“SEC. 906. Nothing in this title shall be construed to exempt any real property acquired and held by the Commissioner under this title from taxation by any State or political subdivision thereof, to the same extent, according to its value, as other real property is taxed.

Taxation of real property.

“SEC. 907. The Commissioner is authorized and directed to make such rules and regulations as may be necessary to carry out the provisions of this title.

Rules and regulations.

“SEC. 908. (a) In addition to mortgages insured under section 903 of this title, the Commissioner is authorized to insure mortgages as defined in section 901 of this title (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided.

Insurance of additional eligible mortgages.  
*Aule, p. 295.*

“(b) To be eligible for insurance under this section a mortgage shall meet the following conditions:

Eligibility requirements.

“(1) The mortgaged property shall be held by a mortgagor approved by the Commissioner. The Commissioner may, in his discretion, require such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation. The Commissioner may make such contracts with, and acquire for not to exceed \$100 stock or interest in any such mortgagor, as the Commissioner may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the National Defense Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

Commissioner's approval of mortgagor.

“(2) The mortgage shall involve a principal obligation in an amount—

Principal obligation, limitations.

“(A) not to exceed \$5,000,000; and

“(B) not to exceed 90 per centum of the amount which the Commissioner estimates will be the value of the property or project when the proposed improvements are completed: *Provided*, That such mortgage shall not in any event exceed the amount which the Commissioner estimates will be the cost of the completed physical improvements on the property or project exclusive of off-site public utilities and streets and organization and legal expenses; and

Physical improve-  
ments.  
Certification and  
payment.

"Actual cost."

Amortization and  
interest.

Partial release from  
lien.

Receipt of debentures  
by mortgagee.

12 U. S. C. § 1713.

Certificate of claim.

Issuance of debentures.  
*Ante*, p. 298.

Applicability of des-  
ignated provisions.

"(C) not to exceed \$8,100 per family unit (or \$7,200 per family unit if the number of rooms in such property or project does not equal or exceed four per family unit) for such part of such property or project as may be attributable to dwelling use: *Provided*, That the Commissioner may by regulation increase such dollar amount limitations by not exceeding \$900 in any geographical area where he finds that cost levels so require.

"(3) The mortgagor shall agree (i) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses), as the case may be, and (ii) to pay, within sixty days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. The Commissioner shall construe the term 'actual cost' in such a manner as to reduce same by the amount of any kick-backs, rebates, and normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith.

"The mortgage shall provide for complete amortization by periodic payments within such term as the Commissioner shall prescribe, and shall bear interest (exclusive of premium charges for insurance) at not to exceed 4 per centum per annum on the amount of the principal obligation outstanding at any time. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release.

"(c) The mortgagee shall be entitled to receive debentures in connection with mortgages insured under this section in the amount and under the conditions specified in subsection (g) of section 207 of this Act, and the references in said subsection (g) to the cash adjustment provided for in subsection (j) of section 207 and to the certificate of claim provided for in subsection (h) of section 207 shall be deemed to refer respectively to the cash adjustment provided for in subsection (c) of section 904 of this Act and to the certificate of claim provided for in subsection (d) of this section.

"(d) The certificate of claim issued by the Commissioner to any mortgagee under this section shall be for an amount determined in accordance with, and shall contain provisions and shall be paid in accordance with, the provisions of section 207 (h) of this Act, except that the reference in section 207 (h) to 'the Housing Insurance Fund' shall be deemed for the purposes of this section to be a reference to the National Defense Housing Insurance Fund.

"(e) Debentures issued under this section shall be issued in accordance with the provisions of section 904 (c) and (d) except that such debentures shall be dated as of the date of default as determined in subsection (c) of this section, and shall bear interest from such date.

"(f) The provisions of section 207 (k) and section 207 (l) of this Act shall be applicable to mortgages insured under this section and to property acquired by the Commissioner hereunder, except that as applied to such mortgages and property (1) all references in such sections 207 (k) and 207 (l) to the 'Housing Fund' shall be construed to refer to the National Defense Housing Insurance Fund, and (2) the reference therein to 'subsection (g)' shall be construed to refer to subsection (c) of this section.

"(g) In any case where an application for insurance under section 608 of this Act was received by the Federal Housing Commissioner on or before March 1, 1950, and has not been rejected or committed upon, the mortgagee upon reapplication for insurance of a mortgage under this section 908 with respect to the same property shall receive credit for any application fees paid in connection with the prior application: *Provided*, That this subsection shall not constitute a waiver of any requirements otherwise applicable to the insurance of mortgages under this section.

Credit for certain application fees.  
12 U. S. C. § 1743.

"(h) The Commissioner shall grant preference to applications for insurance under this title to mortgages covering housing of lower rents."

SEC. 202. Sections 1 and 5 of the National Housing Act, as amended, are further amended by striking out the words "titles II, III, VI, VII, and VIII" each time they appear and inserting in lieu thereof the words "titles II, III, VI, VII, VIII, and IX".

12 U. S. C. §§ 1702, 1706.

SEC. 203. Section 212 (a) of said Act, as amended, is hereby amended by deleting the words "or under title VIII, a mortgage or investment" and by inserting in lieu thereof the words "or under title VIII, or under section 908 of title IX, a mortgage or investment"

12 U. S. C. § 1715c.

SEC. 204. Section 215 of said Act, as amended, is hereby amended by deleting the words "or title VIII" and inserting in lieu thereof the words "title VIII, or title IX".

12 U. S. C. § 1715f.

SEC. 205. Section 301 (a) of said Act, as amended, is hereby amended by striking out of paragraph (1) the words "or section 8 of title I of" and inserting in lieu thereof the words "section 8 of title I, or title IX of".

12 U. S. C. § 1716.

SEC. 206. Section 608 of said Act, as amended, is further amended by striking out paragraph (g) thereof and inserting in lieu thereof the following:

12 U. S. C. § 1743.

"(g) The Commissioner shall also have power to insure under this title, title I, title II, title VIII, or title IX any mortgage executed in connection with the sale by him of any property acquired under any of such titles without regard to limitations upon eligibility, time, or aggregate amount contained therein."

Insurance of mortgages in connection with sale of property.

SEC. 207. Section 24 of the Federal Reserve Act, as amended, is hereby amended by striking out of the third sentence "or section 8 of title I" and inserting in lieu thereof the words "section 8 of title I, or title IX".

38 Stat. 273.  
12 U. S. C. § 371.

SEC. 208. Section 10 of the Federal Home Loan Bank Act, as amended, is further amended by striking out of subsection (a) (1) the words "or title VIII" and inserting in lieu thereof the words "title VIII, or title IX".

47 Stat. 731.  
12 U. S. C. § 1430.

### TITLE III—PROVISION OF DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES

SEC. 301. Subject to the provisions and limitations of title I hereof and subject to the provisions and limitations of this title, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to provide housing in any areas (subject to the provisions of section 101 hereof) needed for defense workers or military personnel or to extend assistance for the provision of, or to provide, community facilities or services required in connection with national defense activities in any area which the President, pursuant to the authority contained in section 101 hereof, has determined to be a critical defense housing area.

Authority to provide defense housing, etc.

Ante, p. 293.

SEC. 302. (a) Consistent with other requirements of national defense, any permanent housing constructed pursuant to the authority of this title shall consist of one- to four-family dwelling structures

One- to four-family structures.



(including row houses) so arranged that they may be offered for separate sale. All housing of permanent construction which is constructed or acquired under the authority of this title shall be sold as expeditiously as possible and in the public interest taking into consideration the continuation of the need for such housing by persons engaged in national defense activities. All dwelling structures of permanent construction designed for occupancy by not more than four families (including row houses) shall be offered for sale, and preference in the purchase of any such dwelling structure shall be granted to occupants and to veterans over other prospective purchasers. As among veterans, preference in the purchase of any such dwelling structure shall be given to disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected. All dwelling structures of permanent construction in any housing project which are designed for occupancy by more than four families (and other structures in such project which are not sold separately) shall be sold as an entity. On such sales first preference shall be given for such period not less than ninety days nor more than six months from the date of the initial offering of such project as the Administrator may determine, to groups of veterans organized on a mutual ownership or cooperative basis (provided that any such group shall accept as a member of its organization, on the same terms, subject to the same conditions, and with the same privileges and responsibilities, required of, and extended to, other members of the group any tenant occupying a dwelling unit in such project, at any time during such period as the Administrator shall deem appropriate, starting on the date of the announcement by the Administrator of the availability of such project). The Administrator shall provide an equitable method of selecting the purchasers when preferred purchasers (or groups of preferred purchasers) in the same preference class or containing members in the same preference class compete with each other. Sales pursuant to this section shall be for cash or credit, upon such terms as the Administrator shall determine, and at the fair value of the property as determined by him: *Provided*, That full payment to the Government for the property sold shall be required within a period of not exceeding twenty-five years with interest on unpaid balances at not less than 4 per centum per annum.

(b) Where it is necessary to provide housing under this title in locations where, in the determination of the Administrator, there appears to be no need for such housing beyond the period during which it is needed for housing persons engaged in national defense activities, the provisions of section 102 hereof shall not be applicable and temporary housing which is of a mobile or portable character or which is otherwise constructed so as to be available for reuse at other locations shall be provided. All housing constructed pursuant to the authority contained in this title which is of a temporary character, as determined by the Administrator, shall be disposed of by the Administrator not later than the date, and subject to the conditions and requirements, hereafter prescribed by the Congress: *Provided*, That nothing in this sentence shall be construed as prohibiting the Administrator from removing any such housing by demolition or otherwise prior to the enactment of such legislation.

(c) When the Administrator determines that any housing provided under this title is no longer required for persons engaged in national defense activities, preference in admission to occupancy thereof shall be given to veterans pending its ultimate sale or disposition in accordance with the provisions of this title. As among veterans, preference in admission to occupancy shall be given to disabled veterans whose disability has been determined by the Veterans' Administration to be service-connected.

Sale.

Disabled veterans.

More than four-family structures.

Selection of purchasers.

Payment, time limitation.

Mobile or portable housing.

Ante, p. 294.

Disposition.

Housing no longer required.  
Occupancy preference.

SEC. 303. The cost per family dwelling unit for any housing project constructed under the authority of this title shall not exceed an average of \$9,000 for two-bedroom units in such project, \$10,000 for three-bedroom units in such project, and \$11,000 for four-bedroom units in such project: *Provided*, That the Administrator may increase any such dollar limitation by not exceeding \$1,000 in any geographical area where he finds that cost levels so require: *Provided further*, That in the Territories and possessions of the United States the Administrator may increase any such dollar limitation by 50 per centum: *And provided further*, That for the purposes of this section the cost of any land acquired by the Administrator upon the filing of a declaration of taking in proceedings for the condemnation of fee title shall be considered to be the amount determined by the Administrator, upon the basis of competent appraisal, to be the value thereof.

SEC. 304. In furtherance of the purposes of this title and subject to the provisions hereof, the Administrator may make loans or grants, or other payments, to public and nonprofit agencies for the provision, or for the operation and maintenance, of community facilities and equipment therefor, or for the provision of community services, upon such terms and in such amounts as the Administrator may consider to be in the public interest: *Provided*, That grants under this title to any local agency for hospital construction may be made only after such action by the local agency to secure assistance under Public Law 725, Seventy-ninth Congress, approved August 13, 1946, as amended, or Public Law 380, Eighty-first Congress, approved October 25, 1949, as is determined to be reasonable under the circumstances, and only to the extent that the required assistance is not available to such local agency under said Public Law 725, or said Public Law 380, as the case may be: *Provided further*, That grants or payments for the provision, or for the maintenance and operation, of community facilities or services under this section shall not exceed the portion of the cost of the provision, or the maintenance and operation, of such facilities or services which the Administrator estimates to be attributable to the national defense activities in the area and not to be recovered by the public or nonprofit agency from other sources, including payments by the United States under any other provisions of this Act or any other law: *And provided further*, That any such continuing grant or payment shall be reexamined and adjusted annually upon the basis of the ability of the agency to bear a greater portion of the cost of such maintenance, operation, or services as a result of increased revenues made possible by such facility or by such defense activities.

SEC. 305. (a) With respect to any housing or community facilities or services which the Administrator is authorized to provide, or any property which he is authorized to acquire, under this Act, the Administrator is authorized by contract or otherwise (without regard to sections 1136 and 3709 of the Revised Statutes, as amended, section 322 of the Act of June 30, 1932 (47 Stat. 412), as amended, the Federal Property and Administrative Services Act of 1949, as amended, and prior to the approval of the Attorney General) to make plans, surveys, and investigations; to acquire (by purchase, donation, condemnation or otherwise), construct, erect, extend, remodel, operate, rent, lease, exchange, repair, deal with, insure, maintain, convey, sell for cash or credit, demolish, or otherwise dispose of any property, land, improvement, or interest therein; to provide approaches, utilities, and transportation facilities; to procure necessary materials, supplies, articles, equipment, and machinery; to make advance payments for leased property; to pursue to final disposition by way of compromise or otherwise, claims both for and against the United States (exclusive of claims in excess of \$5,000 arising out of contracts for construction,

Cost limits of dwelling units.

Cost of certain land.

Loans, etc., for community facilities and services.

Hospital construction.

60 Stat. 1040.  
42 U. S. C. § 291  
note.  
63 Stat. 898.  
42 U. S. C., Sup. IV,  
§ 291 note.

Restriction on grants or payments.

Annual reexamination and adjustment.

Authority to acquire, construct, sell, etc.

10 U. S. C. § 1339;  
41 U. S. C. § 5.  
40 U. S. C. § 278a.  
63 Stat. 377.  
41 U. S. C. § 201  
note.

Certain claims.

repairs, and the purchase of supplies and materials, and claims involving administrative expenses) which are not in litigation and which have not been referred to the Department of Justice; and to convey without cost to States and political subdivisions and instrumentalities thereof property for streets and other public thoroughfares and easements for public purposes: *Provided*, That any instrument executed by the Administrator and purporting to convey any right, title or interest in any property acquired pursuant to this title or title IV of this Act shall be conclusive evidence of compliance with the provisions thereof insofar as title or other interest of any bona fide purchasers, lessees or transferees of such property is concerned. Notwithstanding any provisions of this Act, housing or community facilities constructed by the United States pursuant to the authority contained herein shall conform to the requirements of State and local laws, ordinances, rules, or regulations relating to health and sanitation, and, to the maximum extent practicable, taking into consideration the availability of materials and the requirements of national defense, any housing or community facilities, except housing or community facilities of a temporary character, constructed by the United States pursuant to the authority contained herein shall conform to the requirements of State or local laws, ordinances, rules, or regulations relating to building codes.

*Post*, p. 310.

Conformance to local laws, etc.

Condemnation proceedings.

(b) Before condemnation proceedings are instituted pursuant to this title or title IV, an effort shall be made to acquire the property involved by negotiation unless, because of reasonable doubt as to the identity of the owner or owners, because of the large number of persons with whom it would be necessary to negotiate, or for other reasons, the effort to acquire by negotiation would involve, in the judgment of the Administrator, such delay in acquiring the property as to be contrary to the interest of national defense. In any condemnation proceeding instituted pursuant to this title or title IV, the court shall not order the party in possession to surrender possession in advance of final judgment unless a declaration of taking has been filed, and a deposit of the amount estimated to be just compensation has been made, under the first section of the Act of February 26, 1931 (46 Stat. 1421), providing for such declarations. Unless title is in dispute, the court, upon application, shall promptly pay to the owner at least 75 per centum of the amount so deposited, but such payment shall be made without prejudice to any party to the proceeding.

40 U. S. C. § 258a.

Return of unused property after June 30, 1953.

(c) If any real property acquired under this title or title IV is retained after June 30, 1953, without having been used for the purposes of this Act, the Administrator shall, if the original owner desires the property and pays the fair value thereof, return such property to the owner. In the event the Administrator and the original owner do not agree as to the fair value of the property, the fair value shall be determined by three appraisers, one of whom shall be chosen by the Administrator, one by the original owner, and the third by the first two appraisers; the expenses of such determination shall be paid in equal shares by the Government and the original owner.

Transfer of property by Federal agencies.

SEC. 306. Any Federal agency may, upon request of the Administrator, transfer to his jurisdiction without reimbursement any lands, improved or unimproved, or other property real or personal, considered by the Administrator to be needed or useful for housing or community facilities, or both, to be provided under this title, and the Administrator is authorized to accept any such transfers. The Administrator may also utilize any other real or personal property under his jurisdiction for the purpose of this title without adjustment of the appropriations or funds involved. Any property so transferred or utilized, and any funds in connection therewith, shall be subject only to the authorizations and limitations of this title. The Administrator may,

Transfer of property to Department of Defense.



in his discretion, upon request of the Secretary of Defense or his designee, transfer to the jurisdiction of the Department of Defense without reimbursement any land, improvements, housing, or community facilities constructed or acquired under the provisions of this title and considered by the Department of Defense to be required for the purposes of the said Department. Upon the transfer of any such property to the jurisdiction of the Department of Defense, the laws, rules, and regulations relating to property of the Department of Defense shall be applicable to the property so transferred, and the provisions of this title and the rules and regulations issued thereunder shall no longer apply.

SEC. 307. Notwithstanding any other provisions of law, the acquisition by the United States of any real property pursuant to this title or title IV of this Act shall not deprive any State or political subdivision thereof of its civil or criminal jurisdiction in and over such property, or impair the civil or other rights under the State or local law of the inhabitants of such property. Any proceedings by the United States for the recovery of possession of any property or project acquired, developed, or constructed under this title or title IV of this Act may be brought in the courts of the States having jurisdiction of such causes.

SEC. 308. The Administrator shall pay from rentals annual sums in lieu of taxes and special assessments to any State and/or political subdivision thereof, with respect to any real property, including improvements thereon, acquired and held by him under this title for residential purposes (or for commercial purposes incidental thereto), whether or not such property is or has been held in the exclusive jurisdiction of the United States. The amount so paid for any year upon such property shall approximate the taxes and special assessments which would be paid to the State and/or subdivision, as the case may be, upon such property if it were not exempt from taxation and special assessments, with such allowance as may be considered by him to be appropriate for expenditures by the Federal Government for the provision or maintenance of streets, utilities, or other public services to serve such property.

SEC. 309. In carrying out this title—

(a) notwithstanding any other provisions of this title, so far as is consistent with emergency needs, contracts shall be subject to section 3709 of the Revised Statutes;

(b) the cost-plus-a-percentage-of-cost system of contracting shall not be used, but contracts may be made on a cost-plus-a-fixed-fee basis: *Provided*, That the fixed fee shall not exceed 6 per centum of the estimated cost;

(c) wherever practicable, existing private and public community facilities shall be utilized or such facilities shall be extended, enlarged, or equipped in lieu of constructing new facilities; and

(d) all right, title, and interest of the United States in and to any community facilities constructed by the United States pursuant to the authority contained in this title shall (if such agency is willing to accept such facility and operate the same for the purpose for which it was constructed) be disposed of to the appropriate State, city, or other local agency having responsibility for such type of facility in the area not later than one year after the expiration date specified in title I hereof, and subject to the conditions and requirements hereafter prescribed by the Congress.

SEC. 310. (a) Notwithstanding any other provision of law, the wages of every laborer and mechanic employed on any construction, maintenance, repair, or demolition work authorized by this title shall be computed on a basic day rate of eight hours per day and work in

Civil or criminal jurisdiction.

*Post*, p. 310.

Payments in lieu of taxes, etc.

Contracts.

41 U. S. C. § 5.

Utilization of existing facilities.

Disposition of U. S. rights, etc.

*Ante*, p. 293.

Overtime pay.

excess of eight hours per day shall be permitted upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay.

40 U. S. C. §§ 276a-276a-5.  
62 Stat. 740.  
48 Stat. 948.

(b) The provisions of the Davis-Bacon Act (49 Stat. 1011), as amended; of title 18, United States Code, section 874; and of title 40, United States Code, section 276c, shall apply in accordance with their terms to work pursuant to this title.

Payment of prevailing wages.

(c) Any contract for loan or grant, or both, pursuant to this title shall contain a provision requiring that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, as amended, shall be paid to all laborers and mechanics employed in the construction of the project at the site thereof; and the Administrator shall require certification as to compliance with the provisions of this subsection prior to making any payment under such contract.

Reports by contractor.

(d) Any contractor engaged in the development of any project financed in whole or in part with funds made available pursuant to this title shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner, within five days after the close of each month and on forms to be furnished by the United States Department of Labor, as to the number of persons on their respective payrolls on the particular project, the aggregate amount of such payrolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

Duties of Secretary of Labor.

(e) The Secretary of Labor shall prescribe appropriate standards, regulations, and procedures, which shall be observed by the Administrator in carrying out the provisions of this title (and cause to be made by the Department of Labor such investigations) with respect to compliance with and enforcement of the labor standards provisions of this section, as he deems desirable.

Availability of funds derived from rentals, etc.

SEC. 311. Moneys derived from rentals, operation, or disposition of property acquired or constructed under the provisions of this title shall be available for expenses of operation, maintenance, improvement, and disposition of any such property, including the establishment of necessary reserves therefor and administrative expenses in connection therewith: *Provided*, That such moneys derived from rentals, operation, or disposition may be deposited in a common fund account or accounts in the Treasury: *And provided further*, That the moneys in such common fund account or accounts shall not exceed \$5,000,000 at any time, and all moneys in excess of such amount shall be covered into miscellaneous receipts.

Prescribing of rentals, occupancy, etc.

SEC. 312. The Administrator shall fix fair rentals based on the value thereof as determined by him which shall be charged for housing accommodations operated under this title and may prescribe the class or classes of persons who may occupy such accommodations, preferences, or priorities in the rental thereof, and the terms, conditions, and period of such occupancy.

Appropriations authorized.

SEC. 313. There are hereby authorized to be appropriated—

(a) such sums, not exceeding \$60,000,000, as may be necessary for carrying out the provisions and purposes of this title relating to community facilities and services in critical defense housing areas; and

(b) such sums, not exceeding \$50,000,000, as may be necessary for carrying out the provisions and purposes of this title relating to housing in critical defense housing areas.

Transfer of functions, powers, etc., by President.

SEC. 314. Subject to all of the limitations and restrictions of this Act, including, specifically, the requirements of subsection (c) of section

103 hereof and of subsections (c) and (d) of section 309 hereof, where any other officer, department, or agency is performing, or, in the determination of the President, has facilities adapted to the performance of, functions, powers and duties similar, or directly related, to any of the functions, powers and duties which the Housing and Home Finance Administrator is authorized by this title to perform with respect to the construction, maintenance or operation of community facilities for recreation, and day-care centers, or the provision of community services, the President may transfer to such other officer, department, or agency any of the functions, powers, and duties authorized by this title to be performed with respect thereto if he finds that such transfer will assist the furtherance of national defense activities, and upon any such transfer, funds in such amount as the Director of the Bureau of the Budget shall determine, but in no event in excess of the balance of any moneys appropriated to the Housing and Home Finance Administrator pursuant to the authorization therefor contained in this title for the performance of the transferred functions, powers, and duties, may also be transferred by the President to such other officer, department, or agency: *Provided*, That the President, by Executive Order or otherwise, may prescribe or direct the manner in which any functions, powers, and duties, which the Housing and Home Finance Administrator is authorized by this title to perform with respect to assistance for the construction, or the construction of, any community facilities, shall be administered in coordination with other officers, departments, or agencies having functions or activities related thereto.

*Ante*, pp. 295, 307.

SEC. 315. As used in this title, the following terms shall have the meanings respectively ascribed to them below, and, unless the context clearly indicates otherwise, shall include the plural as well as the singular number:

Definitions.

(a) "State" shall mean the several States, the District of Columbia, and Territories, and possessions of the United States.

(b) "Federal agency" shall mean any executive department or officer (including the President), independent establishment, commission, board, bureau, division, or office in the executive branch of the United States Government, or other agency of the United States, including corporations in which the United States owns all or a majority of the stock, directly or indirectly.

(c) "Community facility" shall mean waterworks, sewers, sewage, garbage and refuse disposal facilities, police and fire protection facilities, public sanitary facilities, works for treatment and purification of water, libraries, hospitals and other places for the care of the sick, recreational facilities, streets and roads, and day-care centers.

(d) "Community service" shall mean the maintenance and operation of facilities for health, refuse disposal, sewage treatment, recreation, water purification, and day-care centers, and the provision of fire-protection.

(e) "National defense" shall mean (1) the operations and activities of the armed forces, the Atomic Energy Commission, or any other Government department or agency directly or indirectly and substantially concerned with the national defense, (2) other operations and activities directly or indirectly and substantially concerned with the operations and activities of the armed forces and the Atomic Energy Commission, or (3) activities in connection with the Mutual Defense Assistance Act of 1949, as amended.

(f) "Nonprofit agency" shall mean any agency no part of the net earnings of which inures to the benefit of any private stockholder or individual.

63 Stat. 714.  
22 U. S. C. § 1571  
note.



(g) "Project" shall mean housing or community facilities acquired, developed, or constructed with financial assistance pursuant to this title.

(h) "Veteran" shall mean a person, or the family of a person, who has served in the active military or naval service of the United States at any time (i) on or after September 16, 1940, and prior to July 26, 1947, (ii) on or after April 6, 1917, and prior to November 11, 1918, or (iii) on or after June 27, 1950, and prior to such date thereafter as shall be determined by the President, and who shall have been discharged or released therefrom under conditions other than dishonorable or who shall be still serving therein. The term shall also include the family of a person who served in the active military or naval service of the United States within any such period and who shall have died of causes determined by the Veterans' Administration to have been service-connected.

Surgeon General.  
Powers, duties, etc.  
*Ante*, p. 294.

SEC. 316. Notwithstanding any other provision of this title, all functions, powers, and duties under this title and section 103 with respect to health, refuse disposal, sewage treatment, and water purification shall be exercised by and vested in the Surgeon General of the Public Health Service: *Provided*, That the Surgeon General shall have power to delegate to any other Federal agency functions, powers, and duties with respect to construction.

#### TITLE IV—PROVISION OF SITES FOR NECESSARY DEVELOPMENT IN CONNECTION WITH ISOLATED DEFENSE INSTALLATIONS

Authority of Administrator.  
*Ante*, p. 293.

SEC. 401. Subject to the provisions and limitations of title I hereof and subject to the provisions and limitations of this title, upon a finding by the President that in connection with a defense installation (as defined by him) developed or to be developed in an isolated or relatively isolated area (1) housing or community facilities needed for such installation would not otherwise be provided when and where required or (2) there would otherwise be speculation or uneconomic use of land resources which would impair the efficiency of defense activities at such installation, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is authorized to make general plans for the development of necessary housing and community facilities in connection with such defense installation; to acquire, by purchase, condemnation, or otherwise, the necessary improved or unimproved land or interests therein; to clear land; to install, construct, or reconstruct streets, utilities, and other site improvements essential to the preparation of the land for use in accordance with said general plans; and to dispose of such land or interests therein for use in accordance with such plans and subject to such terms and conditions as he shall deem advisable and in the public interest. For the purposes of this title, the Administrator may exercise the powers granted to him in title III for the purposes thereof: *Provided*, That no funds made available under this title shall be used for the erection of dwellings or other buildings, and funds representing the fair value, as determined by the Administrator, of any property acquired under this title and used as sites for dwellings or other buildings or facilities under title III shall be transferred from funds appropriated thereunder and made available for purposes of this title IV: *And provided further*, That the provisions of section 310 shall be applicable to site development work under this title.

*Ante*, p. 303.  
Restriction on use of funds.

*Ante*, p. 307.

Acquisition of land.

SEC. 402. Upon a finding by the President that it is necessary or desirable in the public interest that land shall be acquired by the

Administrator not only for the purposes of section 401 hereof but for the defense installation to be served thereby, the Administrator is authorized to acquire improved or unimproved land for such defense installation and, in connection therewith, to exercise any powers granted under this title. The Administrator may transfer such property to the appropriate Federal, State, local or private agency, person, or corporation upon such terms and conditions as he shall determine to be in the public interest.

SEC. 403. With respect to any real property acquired and held by the Administrator pursuant to this title and with respect to any defense installation owned by the Federal Government in connection with which such property is acquired, the Administrator may pay annual sums in lieu of taxes to the appropriate State and local taxing authorities: *Provided*, That, in making any such payments, the Administrator shall take into consideration other payments by the Federal Government to the State and local taxing authorities, the value of services furnished by such taxing authorities in connection with the property or installation, and the value of any services provided by the Federal Government. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this section.

Payments in lieu of taxes.

Appropriation authorized.

SEC. 404. The Administrator is authorized to obtain money from the Treasury of the United States for use in the performance of the functions, powers, and duties granted to him by this title, not to exceed a total of \$10,000,000 outstanding at any one time. For this purpose appropriations not to exceed \$10,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administrator from the revolving fund when requested by the Administrator. As the Administrator repays the amounts thus obtained from the Treasury, the repayments shall be made to the revolving fund. The Administrator shall pay into the Treasury as miscellaneous receipts interest on the outstanding advances from the Treasury provided for by this section. The Secretary of the Treasury shall determine the interest rate annually in advance, such rate to be calculated to reimburse the Treasury for its cost, taking into consideration the current average interest rate which the Treasury pays upon its marketable obligations.

Advances from Treasury.

Revolving fund.

Interest.

SEC. 405. In any city or in two contiguous cities in which, on March 1, 1951, there were in one of such cities more than twelve thousand temporary housing units held by the United States of America, the powers authorized by this title may be exercised for the acquisition of land for the provision of improved sites for privately financed defense housing: *Provided*, That acquisitions pursuant to this section shall be limited to not exceeding 300 acres of land in the general area in which approximately one thousand five hundred units of such temporary housing were unoccupied on said date.

Acquisition of land for privately financed defense housing.

## TITLE V—PREFABRICATED HOUSING

SEC. 501. Section 102 of the Housing Act of 1948, as amended, is amended by striking out the words "for the production of prefabricated houses or prefabricated housing components, or for large-scale modernized site construction" at the end of the first sentence thereof and inserting the following: "for production or distribution of prefabricated houses or housing components and for related purposes, or for modernized site construction: *Provided, however*, That no loan in excess of \$500,000 shall be made to any individual or corporation for purposes of production", and by inserting after the word "determine" in the second sentence thereof the words "and may be made

Housing Act of 1948, amendments.  
62 Stat. 1275.  
12 U. S. C. § 1701g.

either directly or in cooperation with banks or other lending institutions through agreements to participate or the purchase of participation or otherwise”.

SEC. 502. The Housing Act of 1948, as amended, is amended by inserting before section 103 thereof the following new sections:

38 U. S. C. § 694.  
Loans.

Maximum commitments.

Purchase of obligations by Treasury.

64 Stat. 1279.  
5 U. S. C. § 133z-15  
note.  
Additional powers,  
functions, etc., of Administrator.

64 Stat. 78.  
12 U. S. C. § 1749a.

“Prefabricated houses.”

38 Stat. 273.  
12 U. S. C. § 371.

National Housing  
Act, amendment.  
63 Stat. 570.  
12 U. S. C. §§ 1748-  
1748h.

“SEC. 102a. To assure the maintenance of industrial capacity for the production of prefabricated houses and housing components so that it may be available for the purposes of national defense, the Housing and Home Finance Administrator is authorized to make loans to and purchase obligations of any business enterprise or financial institution for the purpose of providing financial assistance for the production or distribution of prefabricated houses or prefabricated housing components and for related purposes. Such loans may be made upon such terms and conditions and with such maturities as the Administrator may determine and may be made either directly or in cooperation with banks or other lending institutions through agreements to participate or the purchase of participation or otherwise: *Provided*, That the total amount of commitments for loans made and obligations purchased under this section shall not exceed \$15,000,000 outstanding at any one time, and no financial assistance shall be extended under this section unless it is not otherwise available on reasonable terms. The Administrator is further authorized to issue to the Secretary of the Treasury, and the Secretary of the Treasury is authorized to purchase, obligations of the Administrator in an amount outstanding at any one time sufficient to enable the Administrator to carry out his functions under this section, such obligations to be in substantially the same form, and be issued in the same manner and subject to the same conditions, except as to the total amount thereof, as obligations issued by the Administrator pursuant to Reorganization Plan 23 of 1950.

“SEC. 102b. In the performance of, and with respect to, the functions, powers, and duties vested in him by Reorganization Plan 23 of 1950 and by section 102a hereof, the Housing and Home Finance Administrator shall, in addition to any powers, functions, privileges, and immunities otherwise vested in him—

“(1) have the powers, functions, privileges, and immunities transferred to him by said Reorganization Plan and the same powers, functions and duties as set forth in section 402 of the Housing Act of 1950, except subsection (c) (2) thereof, with respect to loans authorized by title IV of said Act;

“(2) take any and all actions determined by him to be necessary or desirable in making, servicing, compromising, modifying, liquidating, or otherwise dealing with or realizing on loans thereunder.

“SEC. 102c. Wherever in this Act the words ‘prefabricated houses’ are used they shall be construed to include houses which are of a mobile or portable character.”

SEC. 503. The third paragraph of section 24 of the Federal Reserve Act, as amended, is amended by adding in clause (d) the words “or the Housing and Home Finance Administrator” after the words “the Reconstruction Finance Corporation” and by adding the words “or of section 102 or 102a of the Housing Act of 1948, as amended,” after the words “provisions of the Reconstruction Finance Corporation Act, as amended.”

## TITLE VI—AMENDMENTS TO EXISTING LAWS AND GENERAL PROVISIONS

SEC. 601. Title VIII of the National Housing Act, as amended, is hereby amended—



(a) By striking out of section 803 (a) "July 1, 1951" and substituting therefor "July 1, 1953". The amendment made by this subsection shall be effective as of July 1, 1951.

(b) By inserting before the period at the end of section 803 (b) (3) (C) the following: "Provided, That the Commissioner may by regulation increase the \$8,100 limitation by not exceeding \$900 in any geographical area where he finds that cost levels so require".

(c) By inserting after the words "National Military Establishment" in the last sentence of section 803 (d) the words "or the Atomic Energy Commission".

(d) By adding at the end thereof the following new section:

"SEC. 810. A mortgage which meets all of the eligibility requirements of this title except those specified in section 803 (b) (2) and which is secured by property designed for rent for residential use by personnel of the Atomic Energy Commission (including military personnel and Government contractors' employees) employed or assigned to duty at the Atomic Energy Commission installation at or in the area in which such property is constructed shall be eligible for insurance under this title if the Atomic Energy Commission or its designee shall have certified to the Commissioner that the housing with respect to which the mortgage is made is necessary to provide adequate housing for such personnel, that such installation is deemed to be a permanent part of the Atomic Energy Commission establishment, and that there is no present intention to substantially curtail activities at such installation. Notwithstanding the provisions of any other law, preference or priority of opportunity in the occupancy of the mortgaged property for such personnel and their immediate families shall be provided under such regulations and procedures as may be prescribed by the Commissioner. To effectuate the purpose of this title the Atomic Energy Commission or its designee is authorized to exercise all the authority granted to the Secretary of Defense or the Secretary of the Army, Navy, or Air Force pursuant to this title. Nothing herein contained shall impair the powers vested in the Atomic Energy Commission by the Atomic Energy Act of 1946."

SEC. 602. (a) Section 605 of the Defense Production Act of 1950, as amended, is amended by striking out the period in the first sentence and inserting in lieu thereof the following: "And provided further, That no more than 4 per centum down payment shall be required in connection with the loan on any home made or guaranteed by the Veterans' Administration pursuant to the Servicemen's Readjustment Act of 1944, as amended, and the sales price of which home does not exceed \$7,000; and no more than 6 per centum down payment shall be required in connection with any such loan where the sales price exceeds \$7,000 but does not exceed \$10,000; and no more than 8 per centum down payment shall be required in connection with any such loan where the sales price exceeds \$10,000 but does not exceed \$12,000."

(b) The Defense Production Act of 1950, as amended, is further amended by adding after section 605 the following new section:

"SEC. 606. Not more than 10 per centum down payment shall be required pursuant to section 602 or section 605 of this Act in connection with the loan on any home not made or guaranteed by the Veterans' Administration and the transaction price of which home does not exceed \$7,000; nor more than 15 per centum in connection with any such loan on any home the transaction price of which exceeds \$7,000 but does not exceed \$10,000; nor more than 20 per centum in connection with any such loan on any home the transaction price of which exceeds \$10,000 but does not exceed \$12,000. The term of any loan referred to in the preceding sentence or in the last proviso of section 605 shall not be required to be less than twenty-five years."

12 U. S. C. § 1748b.

Atomic Energy  
Commission person-  
nel.  
Mortgage-insurance  
eligibility.

60 Stat. 775.  
42 U. S. C. § 1801  
note.  
Defense Production  
Act of 1950, amend-  
ments.  
64 Stat. 813.  
50 U. S. C. app.  
§ 2135.

58 Stat. 284.  
38 U. S. C. § 693 note.

Down payment re-  
quirements.  
50 U. S. C. app.  
§§ 2132, 2135.

SEC. 603. The Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended, is hereby amended—

54 Stat. 1125.  
42 U. S. C. ch. 9 note;  
§§ 1521-1574.  
42 U. S. C. § 1584.

(a) by repealing the following provisos at the end of section 604 thereof: "*And provided further*, That with respect to any temporary housing under the jurisdiction of the Administrator the maximum rental shall be that in effect on April 1, 1949, unless the Housing Expediter shall approve a petition for an increase in accordance with the fair net operating income formula in effect from time to time under the Housing and Rent Act of 1947, as amended, on grounds of hardship to the landlord: *Provided*, That if such housing is not in an area where rent control is in effect at the time pursuant to that Act, an increase may be granted by the Administrator on the basis of such formula";

61 Stat. 196.  
50 U. S. C. app.  
§ 1881 note.

(b) by inserting "plus 100 per centum of such value," in clause (2) of section 605 (b) thereof immediately following "Government's interest therein,";

42 U. S. C. § 1585.

(c) by striking out "is authorized" following "Administrator" in clause (2) of section 605 (b) thereof and substituting "shall", and by striking out "to increase" in such clause and substituting "increase"; and

(d) by adding at the end thereof the following new sections 611. and 612:

Time extension.

"SEC. 611. Notwithstanding any other provision of law, the President is authorized to extend, for such period or periods as he shall specify, the time within which any action is required or permitted to be taken by the Administrator or others under the provisions of this title (or any contract entered into pursuant to this title), upon a determination by him, after considering the needs of national defense and the effect of such extension upon the general housing situation and the national economy, that such extension is in the public interest.

Income limitations  
for occupancy.

"SEC. 612. The Administrator, notwithstanding any other provisions of this or any other law except provisions hereafter enacted expressly in amendment hereof, is authorized to establish income limitations for occupancy of any housing held by him under this Act and, giving consideration to the ability of such tenants to obtain other housing accommodations, to require tenants, admitted to occupancy prior to the establishment of such income limitations and who have incomes in excess of limitations established by him, to vacate such housing."

National Housing  
Act, amendments.  
48 Stat. 1246.  
12 U. S. C. § 1701.

SEC. 604. The National Housing Act, as amended, is hereby amended—

12 U. S. C. § 1710.

(a) by striking out the period at the end of the second sentence of section 204 (d) and inserting a comma and the following: "except that debentures issued with respect to mortgages insured under section 213 shall mature twenty years after the date of such debentures."

12 U. S. C. § 1715e.

(b) by striking out of the second sentence of section 207 (i) the words "and shall mature three years after the 1st day of July following the maturity date of the mortgage in exchange for which the debentures were issued" and inserting in lieu thereof "and shall mature twenty years after the date thereof".

12 U. S. C. § 1713.

SEC. 605. Section 207 (c) of the National Housing Act, as amended, is hereby amended (1) by striking out of clause "(i)" in paragraph numbered "(2)" the words "of the property or project" and inserting in lieu thereof the words "of the property or project attributable to dwelling use"; and (2) by striking out of clause "(ii)" in paragraph numbered "(2)" the words "and not in excess of \$10,000 per family unit" and inserting in lieu thereof the words "and not in excess of

\$10,000 per family unit and (iii) 90 per centum of the estimated value of such part of such property or project as may be attributable to nondwelling use"; and (3) by striking out of paragraph numbered "(3)" the words "four and one-half per family unit" and substituting therefor the words "four per family unit".

SEC. 606. The first sentence of section 214 of the National Housing Act, as amended, is hereby amended by striking the word "one-third" and inserting the word "one-half".

SEC. 607. Title II of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new sections:

**"WAIVER OF OCCUPANCY REQUIREMENTS FOR SERVICEMEN"**

"SEC. 216. The Commissioner is hereby authorized to insure any mortgage otherwise eligible for insurance under any of the provisions of this Act without regard to any requirement that the mortgagor be the occupant of the property at the time of insurance, where the Commissioner is satisfied that the inability of the mortgagor to occupy the property is by reason of his entry into military service subsequent to the filing of an application for insurance and the mortgagor expresses an intent to occupy the property upon his discharge from military service.

**"GENERAL MORTGAGE INSURANCE AUTHORIZATION"**

"SEC. 217. Notwithstanding limitations contained in any other section of this Act on the aggregate amount of principal obligations of mortgages which may be insured under any title of this Act, such aggregate amount shall, with respect to any title of this Act (except title VI) be prescribed by the President, taking into consideration the needs of national defense and the effect of additional mortgage insurance authorizations upon conditions in the building industry and upon the national economy: *Provided*, That the aggregate dollar amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this Act plus the aggregate dollar amount of all increases in mortgage insurance authorizations under other titles of this Act prescribed by the President pursuant to authority contained in this section shall not exceed \$1,500,000,000."

SEC. 608. (a) Notwithstanding any other provision of law or Reorganization Plan 22 of 1950, one of the five or more persons constituting the Board of Directors of the Federal National Mortgage Association shall be appointed by the Administrator of Veterans' Affairs from among the officers or employees of the Veterans' Administration.

(b) Subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by adding before the period at the end of said subparagraph the following proviso: "*Provided*, That this subparagraph shall not apply to commitments made by the Association on or after the effective date of this proviso and prior to December 31, 1951, which do not exceed \$200,000,000 outstanding at any one time, if such commitments relate to mortgages (1) covering defense housing programmed by the Housing and Home Finance Administrator in an area determined by the President or his designee to be a critical defense housing area, or (2) with respect to which the Federal Housing Commissioner has issued a commitment to insure pursuant to title VIII of this Act, as amended, or (3) covering housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster."

12 U. S. C. § 1715d:

12 U. S. C. §§ 1707-1715f.

Maximum aggregate amount of principal obligations.

12 U. S. C. §§ 1736-1746.

*Ante*, p. 295.

Appointment of Board member from Veterans Administration.  
64 Stat. 1277.  
5 U. S. C. § 1332-15 note.

12 U. S. C. § 1716.

12 U. S. C. §§ 1748-1748h.



12 U. S. C. § 1747a.

SEC. 609. (a) Section 702 of the National Housing Act, as amended, is hereby amended by adding the following new subsection at the end thereof:

Obligation of investor.

"(c) After completion of the project the investor must establish in a manner satisfactory to the Commissioner that the project is free and clear of liens and that there are no other outstanding unpaid obligations contracted in connection with the construction of the project, except taxes and such other liens and obligations as may be approved or prescribed by the Commissioner. Debentures issued by the investor which are payable out of net income from the project and from the benefits of the insurance contract shall not be construed as 'unpaid obligations' as such term is used in this subsection."

Debentures issued by investor.

12 U. S. C. § 1747f.

Assignment of rights by investor, etc.

(b) Section 707 of the National Housing Act, as amended, is hereby amended by adding the following new sentence at the end thereof: "Nothing contained in this title or any other provision of law shall be construed as preventing or restricting an investor from assigning, pledging, or otherwise transferring or disposing of, subject to rules and regulations of the Commissioner, any or all rights, claims, or other benefits under any insurance contract made pursuant to this title to an assignee, pledgee, or other transferee, including the holders (or the trustee for such holders) of any debentures issued by the investor in connection with the project to which such insurance contract relates, and the Commissioner is authorized to pay claims or issue debentures in accordance with the provisions of this section and section 708 of this title to any such assignee, pledgee, or other transferee."

12 U. S. C. § 1747g.

12 U. S. C. § 1747f.

Displacement of persons from homes, etc.

SEC. 610. Section 713 (n) of the National Housing Act, as amended, is hereby amended by adding before the period at the end thereof the words "or such lesser amount as shall be agreed upon by the investor and the Commissioner".

64 Stat. 798.  
50 U. S. C. app.  
§ 2061.

SEC. 611. Upon a finding by the Housing and Home Finance Administrator that the acquisition of any real property for a defense installation or industry has resulted, or will result, in the displacement of persons from their homes on such property, he may (notwithstanding any other provision of this or any other law) issue regulations pursuant to which such persons may be permitted to occupy or purchase housing for which credit restrictions established pursuant to the Defense Production Act of 1950 have been relaxed or housing which has been provided or assisted under the provisions of this Act (including amendments to other Acts provided herein), subject to any conditions or requirements that he determines necessary for purposes of national defense.

12 U. S. C. § 1747f.

SEC. 612. Section 713 (o) of the National Housing Act, as amended, is hereby amended by inserting before the period at the end thereof the words "and income taxes".

Housing Act of 1950,  
amendments.  
64 Stat. 81.  
12 U. S. C. § 1701j.

SEC. 613. (a) Section 504 of the Housing Act of 1950 is amended by striking out "builder, veteran, or other purchaser" wherever it appears therein and inserting in lieu thereof the following: "builder or other seller, or the veteran or other purchaser".

Servicemen's Readjustment Act of 1944,  
amendments.  
64 Stat. 75.  
38 U. S. C. § 694a.  
Guaranty of veterans' loans.

(b) Section 501 (b) of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended to read as follows:

"(b) Any loan made under this title to a veteran who has not, after April 20, 1950, availed himself of the benefits of this title for the purpose of purchasing residential property or constructing a dwelling to be occupied as his home, the proceeds of which loan are to be used for that purpose, may, notwithstanding the provisions of subsection (a) of section 500 of this title relating to the percentage or aggregate amount of loan to be guaranteed, be guaranteed, if otherwise made pursuant to the provisions of this title, in an amount not exceeding sixty per centum of the loan: *Provided*, That the amount of any such guaranty shall not exceed \$7,500, less the amount with which the

38 U. S. C. § 694.

veteran's entitlement for real estate purposes is properly chargeable on account of prior loans, nor shall the gratuity payable under subsection (c) of section 500 of this title exceed that which is payable on loans guaranteed in accordance with the maxima provided for in subsection (a) of section 500 of this title."

SEC. 614. (a) Section 512 (b) of the Servicemen's Readjustment Act of 1944 is amended (1) by striking out clause (C); and (2) by striking out "June 30, 1951" and inserting in lieu thereof "June 30, 1953".

(b) Section 512 (d) of the Servicemen's Readjustment Act of 1944 is amended to read as follows:

"(d) The Administrator is authorized to sell, and shall offer for sale, to any private lending institution evidencing ability to service loans, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 (b) of this title."

(c) The first sentence of section 513 (a) of the Servicemen's Readjustment Act of 1944 is amended to read as follows: "For the purposes of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of \$150,000,000 (plus the amount of any funds which may have been deposited to the credit of miscellaneous receipts under subsections (a) and (c) hereof), as the Administrator shall request from time to time except that no sums may be made available after June 30, 1953."

(d) Section 513 (c) of the Servicemen's Readjustment Act of 1944 is amended by striking out "June 30, 1952" and inserting in lieu thereof "June 30, 1954".

SEC. 615. The Secretary of Defense or his designee shall hereafter be included in the membership of the National Housing Council in the Housing and Home Finance Agency, and the Chairman of the Board of Directors of the Reconstruction Finance Corporation or his designee shall not hereafter be included in the membership of said Council.

SEC. 616. During the period from the date of the approval of this Act to and including the expiration date specified in section 104 hereof, no project shall be initiated, and the income limitations contained in the United States Housing Act of 1937, as amended, shall not be waived or suspended, pursuant to the authorization therefor in title II of Public Law 671, Seventy-sixth Congress, approved June 28, 1940.

SEC. 617. Insofar as the provisions of any other law are inconsistent with the provisions of this Act, the provisions of this Act shall be controlling.

SEC. 618. Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. Notwithstanding any other evidence of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provisions of this Act, or the application thereof to any persons or circumstances, shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act or its application to other persons and circumstances, but shall be confined in its operation to the provisions of this Act or the application thereof to the persons and circumstances directly involved in the controversy in which such judgment shall have been rendered.

Approved September 1, 1951.

38 U. S. C. § 694f.

Sale of loans.

38 U. S. C. § 694m.

*Ante*, p. 295.

50 Stat. 888.  
42 U. S. C. § 1430.

54 Stat. 681.  
42 U. S. C. §§ 1501-1505.

Cumulative powers of Act.

Separability.